

Wimpey Construction Limited

Directors' report and accounts

31 December 1995



Registration, London 156617

Wimpey Construction Limited

Directors' Report

Directors:

D. G. Brant – Chairman	F. M. Kennedy
D. J. Anderson	J. E. King
M. Blacker	R. D. MacIver
M. V. Casebourne	W. R. Martin
M. C. Clarke	I. M. Ross
D. J. Horner	

The directors present their report and the accounts for the year ended 31 December 1995.

Principal activities

The company's principal activity is contracting within the construction industry.

Results and dividends

The profit for the year after taxation of £6.5m is reported in the profit and loss account on page 5. Interim dividends totalling £22.2m were declared during the year. The directors do not recommend the payment of a final dividend. The retained loss of £15.7m has been deducted from reserves.

Post balance sheet events

An Extraordinary General Meeting of the George Wimpey PLC shareholders is scheduled for 26 February 1996 at which the shareholders will vote on the proposed disposal of the company to Tarmac PLC.

On 30 January 1996 the company transferred its investment in Wimpey Homes Holdings Limited to another Wimpey Group company at its market value of £350.0m. This resulted in a surplus over book value of £185.8m which was declared as a dividend on 31 January 1996.

A proportion of the activities of the company comprises the business of opencast coal mining. On 1 February 1996 the company transferred these activities to another Wimpey Group company for a sum of £12.2m which is equal to the net asset value attributable to the assets included in these accounts. The results attributable to this activity are disclosed as discontinued operations in these accounts.

On 2 February 1996 the company transferred its investment in Wimpey Construction Developments Limited to another Wimpey Group company at its book value of £1.1m.

On 2 February 1996 the company transferred its investment in WA Investments Limited to another Wimpey Group company for a sum of £1.0m, resulting in a surplus over book value of £1.0m.

On 2 February 1996 the company transferred its investment in Kuwaiti British Group Limited and Kuwaiti Anglo Defence Company Limited to other Wimpey Group companies, both at book value of £0.0m.

On 2 February 1996 the company transferred its investment in Wimpey Engineering Limited to another Wimpey Group company at its book value of £5.8m.

On 2 February 1996 the company purchased 100% of the issued share capital of Wimpey Plant and Transport Limited from another Wimpey Group company for a consideration of £10.7m, being the net asset value of the company acquired.

On 7 February 1996, subsidiary companies declared interim 1996 dividends totalling £26.0m, and on this same date the company declared an interim 1996 dividend of £36.8m.

Wimpey Construction Limited

Directors' Report

Directors

The board of directors is shown on page 1. Mr J. E. King was appointed as a director on 27 April 1995. Messrs R. J. Beauprez and A. J. Haigh resigned as directors on 31 March 1995 and Mr L. D. Toman resigned as a director on 30 June 1995.

Interests of the directors who are not directors of the parent company in the shares of the parent company at 31 December 1995 and at 1 January 1995 or date of appointment were:

	ORDINARY SHARES		OPTIONS OVER ORDINARY SHARES	
	31 Dec 1995	1 Jan 1995	31 Dec 1995	1 Jan 1995
D. J. Anderson	500	—	195,231	145,686
M. Blacker	—	—	77,851	57,198
M. V. Casebourne	—	—	96,866	98,066
M. C. Clarke	3,383	3,383	64,389	21,531
D. J. Horner	2,891	2,891	80,362	64,408
F. M. Kennedy	500	—	217,892	160,310
J. E. King	—	— *	—	— *
R. D. MacIver	500	—	176,690	139,013
W. R. Martin	500	—	148,399	145,976
I. M. Ross	—	—	73,955	75,702

* As at date of appointment.

All the interests were held beneficially.

All the options were granted under the terms of the parent company's savings related and executive share option schemes.

Interests of the directors who are directors of the parent company are shown in that company's financial statements.

No director was materially interested during the year in any contract which was significant in relation to the business of the company.

Fixed assets

Properties owned and partly occupied by the company were transferred to other group companies on 1 January 1995 at book value (£6.2m), which is reflected in note 10.

Employee involvement

It is Wimpey Group policy that there should be effective communications with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs or future prospects. This is achieved through normal face to face discussion at the work place, a Group house journal, the use of notice boards and other means including bulletins or newsletters. Consultation processes extend beyond day to day manager-employee relationships to briefing sessions in small groups and local consultative committees, as well as membership of appropriate employers' organisations through which consultation takes place with operatives' representatives. Annually, the Wimpey Group publishes a written Employee Report and video which explains the overall financial and general business situation. These are supplemented by line management reviews at local level.

Wimpey Construction Limited

Directors' Report

Employment of disabled persons

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Guidance notes have been issued to managers and recruiters. Efforts are made to enable any employee who becomes disabled during employment to continue their career with the Group. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.


Directors' and officers' liability insurance

The Wimpey Group has purchased insurance to cover directors' and officers' liability as permitted by Section 310 (3) (a) of the Companies Act 1985.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements are prepared in accordance with relevant applicable accounting standards and on a going concern basis. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

By order of the board



S. E. Bort - Secretary

9 February 1996

Wimpey Construction Limited

Auditors' Report

To the members of Wimpey Construction Limited.

We have audited the financial statements on pages 5 to 19.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1995 and of the result and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

12 February 1996

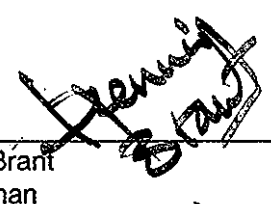
Wimpey Construction Limited
Profit and Loss Account
For the year ended 31 December 1995

	<u>Note</u>	<u>1995</u> <u>£m</u>	<u>1994</u> <u>£m</u>
Turnover			
Continuing operations		501.3	472.9
Discontinued operations		32.1	39.1
	2	<u>533.4</u>	<u>512.0</u>
Operating (loss)/profit			
Continuing operations		(20.3)	(19.8)
Discontinued operations		(0.1)	2.4
	3	<u>(20.4)</u>	<u>(17.4)</u>
Investment income	4	31.9	55.9
Interest – net payable	5	<u>(15.0)</u>	<u>(11.7)</u>
(Loss)/profit on ordinary activities before taxation		(3.5)	26.8
Taxation credit	6	<u>10.0</u>	<u>12.8</u>
Profit on ordinary activities after taxation		6.5	39.6
Dividends	7	<u>(22.2)</u>	<u>(18.9)</u>
Retained (loss)/profit for the year	19	<u>(15.7)</u>	<u>20.7</u>

Wimpey Construction Limited
Balance Sheet
At 31 December 1995

	<u>Note</u>	<u>1995</u> <u>£m</u>	<u>1994</u> <u>£m</u>
Fixed assets			
Tangible assets	10	34.3	40.3
Investments	11	337.9	332.5
		<u>372.2</u>	<u>372.8</u>
Current assets			
Work in progress and stock	12	1.2	1.3
Debtors receivable within one year	13	100.1	86.3
Debtors receivable after more than one year	13	6.0	2.3
Cash at bank and in hand		4.5	11.1
		<u>111.8</u>	<u>101.0</u>
Creditors falling due within one year	14	(223.1)	(198.4)
Net current liabilities		<u>(111.3)</u>	<u>(97.4)</u>
Total assets less current liabilities		260.9	275.4
Creditors falling due after more than one year	15	(168.0)	(167.2)
Provisions for liabilities and charges			
Other provisions	17	(4.7)	(4.3)
Equity shareholders' funds		<u>88.2</u>	<u>103.9</u>
Represented by:			
Capital and reserves			
Called-up share capital	18	64.0	64.0
Property revaluation reserve	19	6.3	11.8
Profit and loss account	19	17.9	28.1
		<u>88.2</u>	<u>103.9</u>

The accounts appearing on pages 5 to 19 were approved by the board on 9 February 1996
and signed on their behalf by:


D. G. Brant
Chairman


J. E. King
Director

Wimpey Construction Limited
Financial Statements
For the year ended 31 December 1995

	<u>Note</u>	<u>1995</u> <u>£m</u>	<u>1994</u> <u>£m</u>
Statement of Total Recognised Gains and Losses			
Profit attributable to ordinary shareholders		6.5	39.6
Unrealised surplus on revaluation of properties		–	1.2
Total recognised gains relating to the year		6.5	40.8

Note of Historical Cost Profits and Losses

(Loss)/profit on ordinary activities before taxation		(3.5)	26.8
Realisation of property revaluation gains of prior years	19	5.4	0.9
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	19	0.1	0.2
Historical cost profit on ordinary activities before taxation		2.0	27.9
Historical cost (loss)/profit for the year retained after taxation and dividends		(10.2)	21.8

Reconciliation of Movements in Shareholders' Funds

Profit attributable to ordinary shareholders		6.5	39.6
Dividends	7	(22.2)	(18.9)
		(15.7)	20.7
Other recognised gains and losses relating to the year		–	1.2
Net (decrease)/increase in shareholders' funds		(15.7)	21.9
1 January – shareholders' funds		103.9	82.0
31 December – shareholders' funds		88.2	103.9

Wimpey Construction Limited

Accounting Policies

Basis of preparation

The accounts are prepared on the historical cost basis of accounting incorporating the revaluation of certain assets. They have been drawn up in accordance with applicable accounting standards in the United Kingdom.

The company is a wholly-owned subsidiary of George Wimpey PLC and the cash flows of the company are included in the consolidated cash flow statement of George Wimpey PLC. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

Group accounts

Group accounts are not prepared nor are the results of associated undertakings incorporated in these accounts as the company is itself a wholly-owned subsidiary of George Wimpey PLC, a company incorporated in Great Britain.

Turnover

Contracting turnover comprises the value of work executed during the year including the settlement of claims arising from previous years, amounts received on management fee contracts funded by the client and the company's share of unincorporated joint venture turnover. Other turnover is based on the invoiced value of goods and services supplied during the year. Turnover excludes value added tax.

Profit

Operating profit includes the results attributable to contracts completed and long term contracts in progress where a profitable outcome can prudently be foreseen, after deducting amounts recognised in previous years and after making provision for foreseeable losses. Claims receivable are recognised as income when received or if certified for payment.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life as follows:

Offices and depots occupied by the company:

Freehold Buildings and Long
Leaseholds in excess of 50 years

Over 50 years

Short Leaseholds

Over the period of the lease

Plant and Equipment

Over the expected useful life of the assets ranging
mainly from 3 to 12 years

Fixed assets

Fixed assets transferred from fellow Group undertakings are included in the accounts at their original cost or revalued amounts and depreciation includes depreciation transferred from those undertakings.

Taxation

Provision is made for tax on taxable profit and for deferred tax where there is a reasonable probability that a liability will crystallise in the foreseeable future.

Wimpey Construction Limited

Accounting Policies

Associated undertakings

Associated undertakings are incorporated joint ventures and unlisted undertakings, other than subsidiary undertakings, held as long-term investments in which the company has an investment representing not less than 20% of the voting rights and over which it exerts significant influence.

Work in progress and stock

Other stock comprises materials, equipment and goods for resale valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

Long term contracts

The amount of long term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long term contract balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long term contract balances are included in creditors as payments received on account on long term contracts. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included within either provisions for liabilities and charges or creditors, as appropriate.

Retirement benefits

Pension costs are charged to the profit and loss account so as to spread the cost of pensions at a substantially level percentage of payroll costs over the expected service lives of members.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at closing rates of exchange. All differences are taken to the profit and loss account. The trading results of overseas operations are translated at the average rate for the year and the balance sheets at the closing rate. Exchange differences arising on the translation of opening balance sheets together with the difference between profit and loss accounts translated at average rates and closing rates, are dealt with through reserves.

Translation differences on intra-group currency loans and foreign currency borrowings, to the extent that they are used to finance or provide a hedge against equity investments in foreign enterprises, are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. All other translation differences are taken to the profit and loss account.

Wimpey Construction Limited

Notes on the Accounts

1 Parent company

The company is a subsidiary of George Wimpey PLC which is incorporated in Great Britain and registered in England and Wales.

Accounts of George Wimpey PLC may be obtained from the Company Secretary at 27 Hammersmith Grove London W6 7EN.

	1995 <u>£m</u>	1994 <u>£m</u>
2 Turnover		
By class of business		
Contracting	501.3	472.9
Minerals	32.1	39.1
	<u>533.4</u>	<u>512.0</u>
By geographical area		
United Kingdom	518.0	490.5
Rest of World	15.4	21.5
	<u>533.4</u>	<u>512.0</u>

3 Results

Turnover	533.4	512.0
Stock decrease – Continuing operations	(0.1)	(0.6)
Materials and services – Continuing operations	(455.7)	(427.7)
– Discontinued operations	(22.0)	(25.3)
Staff costs (note 9) – Continuing operations	(60.4)	(59.3)
– Discontinued operations	(8.5)	(9.6)
Depreciation (note 10) – Continuing operations	(5.4)	(5.1)
– Discontinued operations	(1.7)	(1.8)
Operating loss	<u>(20.4)</u>	<u>(17.4)</u>

The operating loss is wholly related to construction.

Operating loss is stated after charging:

Auditors' remuneration and expenses	0.1	0.1
Hire of plant and equipment	<u>7.8</u>	<u>10.4</u>

Wimpey Construction Limited
Notes on the Accounts

	1995 <u>£m</u>	1994 <u>£m</u>
4 Investment income		
Income from shares in subsidiary undertakings	<u>31.9</u>	<u>55.9</u>
5 Interest – net payable		
Interest receivable	0.3	0.1
Interest payable		
Group undertakings	<u>(15.3)</u>	<u>(11.8)</u>
	<u>(15.0)</u>	<u>(11.7)</u>
6 Taxation credit		
United Kingdom		
Group relief	12.0	7.3
Prior years' adjustments		
United Kingdom – group relief	<u>(2.0)</u>	<u>5.5</u>
	<u>10.0</u>	<u>12.8</u>
Credit for group relief has been calculated at 33% (1994 – 33%) on the tax loss for the year.		
7 Dividends		
Interim – paid	2.9	18.9
Interim – accrued	<u>19.3</u>	<u>-</u>
	<u>22.2</u>	<u>18.9</u>

Wimpey Construction Limited

Notes on the Accounts

8 Pension arrangements

The company is a participating member of the Wimpey Staff Pension Scheme (the Wimpey Scheme) which is a contributory defined benefit plan to provide pension and death benefits for the company's employees. The assets of the scheme are held in separate Trustee administered funds. The Trustees are Wimpey Pension Trustees Limited and The Law Debenture Trust Corporation PLC. Contributions to the scheme are based on pension costs across the UK Group as a whole and have been assessed in accordance with the advice of a qualified actuary. The most recent actuarial valuation of the Wimpey Scheme was carried out at 6 April 1993 using the projected unit method.

The pension costs of £4.3m (1994 – £4.2m) are charged to the profit and loss account so as to spread the cost of pensions at a substantially level percentage of payroll costs over the expected service lives of members.

Full details relating to the actuarial valuation of the scheme can be found in the financial statements of the parent company, George Wimpey PLC.

9 Employees and directors

Staff costs (including directors) comprise:

	1995 £m	1994 £m
Salaries and wages	59.2	59.2
Social security costs	5.4	5.5
Pension contributions	4.3	4.2
	<u>68.9</u>	<u>68.9</u>

Number of employees

Average number of persons (including directors)
employed by the company during the year was:
United Kingdom

<u>2,998</u>	<u>3,193</u>
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Of the above, 1,936 persons (1994 – 1,924) with total staff costs of £51.9m (1994 – £49.7m) worked for, and their staff costs were ultimately borne by, the company although they had contracts of employment with other Wimpey Group companies.

Wimpey Construction Limited
Notes on the Accounts

9 Employees and directors (continued)

	1995 <u>£'000</u>	1994 <u>£'000</u>
Directors' emoluments comprise:		
Salaries including benefits in kind	1,017	1,247
Pension contributions	136	109
Termination payments to former directors	140	30
	<u>1,293</u>	<u>1,386</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The Chairman and highest paid director	<u>202</u>	<u>185</u>

The emoluments of the directors (excluding pensions contributions), whose duties were discharged wholly or mainly in the United Kingdom, were in the bands listed below.

	Number of directors	
£ 0 – £ 5,000	1	1
£ 15,001 – £ 20,000	2	–
£ 40,001 – £ 45,000	1	–
£ 50,001 – £ 55,000	1	1
£ 70,001 – £ 75,000	4	1
£ 75,001 – £ 80,000	1	1
£ 80,001 – £ 85,000	–	3
£ 85,001 – £ 90,000	–	2
£ 90,001 – £ 95,000	–	1
£ 95,001 – £100,000	–	1
£100,001 – £105,000	1	–
£105,001 – £110,000	1	–
£110,001 – £115,000	1	–
£115,001 – £120,000	–	1
£130,001 – £135,000	–	1
£180,001 – £185,000	–	1
£200,001 – £205,000	1	–

Wimpey Construction Limited
Notes on the Accounts

10 Tangible assets

	Freehold £m	Long leasehold £m	Plant & equipment £m	Total £m
Cost or valuation				
1 January	16.7	1.2	70.4	88.3
Capital expenditure	-	-	9.5	9.5
Disposals	-	-	(12.0)	(12.0)
Transfers to/from fellow Group undertakings	(6.8)	(0.5)	1.5	(5.8)
31 December	<u>9.9</u>	<u>0.7</u>	<u>69.4</u>	<u>80.0</u>
Accumulated depreciation				
1 January	2.6	0.4	45.0	48.0
Charge for the year	0.1	-	7.0	7.1
Disposals	-	-	(9.5)	(9.5)
Transfers to/from fellow Group undertakings	(0.9)	(0.2)	1.2	0.1
31 December	<u>1.8</u>	<u>0.2</u>	<u>43.7</u>	<u>45.7</u>
Net book value				
31 December	<u>8.1</u>	<u>0.5</u>	<u>25.7</u>	<u>34.3</u>
1 January	<u>14.1</u>	<u>0.8</u>	<u>25.4</u>	<u>40.3</u>
Comparable amounts determined according to the historical cost convention				
Cost	3.6	0.4	69.4	73.4
Accumulated Depreciation	(1.5)	(0.2)	(43.7)	(45.4)
Net book value				
31 December	<u>2.1</u>	<u>0.2</u>	<u>25.7</u>	<u>28.0</u>
1 January	<u>2.9</u>	<u>0.2</u>	<u>25.4</u>	<u>28.5</u>

Valuations of substantially all of the company's owned and used properties in the UK were carried out as at 31 December 1994. The valuations were carried out in accordance with Statements of Assets Valuation Practice and Guidance Notes published on behalf of the Royal Institution of Chartered Surveyors. The basis of valuation is open market value for existing use, the valuations being carried out by Gooch & Wagstaff, Chartered Surveyors. The surplus over book value was incorporated in the 1994 accounts and the properties are included in these accounts at their 1994 valuations. The value given to those properties which are still held by the company was £8.7m.

Wimpey Construction Limited
Notes on the Accounts

11 Investments

	Shares in subsidiaries	Shares in associates	Loans from associates	Total
	£m	£m	£m	£m
1 January				
– cost	336.1	0.1	(0.5)	335.7
– provision	(3.2)	–	–	(3.2)
– net book value	332.9	0.1	(0.5)	332.5
Movements				
– additions	5.8	–	(0.4)	5.4
31 December – net book value	<u>338.7</u>	<u>0.1</u>	<u>(0.9)</u>	<u>337.9</u>
– cost	341.9	0.1	(0.9)	341.1
– provision	(3.2)	–	–	(3.2)

The company's principal investments are shown in note 22.

	1995 £m	1994 £m
12 Work in progress and stock		
Other stock	<u>1.2</u>	<u>1.3</u>
13 Debtors		
Receivable within one year:		
– trade debtors	5.5	4.1
– amounts recoverable on long term contracts	44.6	42.0
– amounts owed by parent and fellow subsidiary undertakings	46.4	36.8
– corporate taxation	–	0.3
– other	3.6	3.1
	<u>100.1</u>	<u>86.3</u>
Receivable after more than one year:		
– amounts recoverable on long term contracts	6.0	2.3
	<u>106.1</u>	<u>88.6</u>

Wimpey Construction Limited
Notes on the Accounts

	1995 £m	1994 £m
14 Creditors falling due within one year		
Bank overdrafts	2.8	1.9
Amounts owed to parent and fellow subsidiary undertakings	51.5	24.2
Finance debt (unsecured)	54.3	26.1
Trade creditors and accruals	118.6	115.2
Payments received on account on long term contracts	17.8	39.1
Amounts owed to parent and fellow subsidiary undertakings	3.1	10.1
National insurance, VAT and other taxes	3.4	3.5
Proposed dividend (note 7)	19.3	-
Other	6.6	4.4
	<u>223.1</u>	<u>198.4</u>

15 Creditors due after more than one year

Amounts owed to parent and fellow subsidiary undertakings repayable within five years	164.4	165.2
Finance debt (unsecured)	164.4	165.2
Payments received on account on long term contracts	3.6	2.0
	<u>168.0</u>	<u>167.2</u>

16 Deferred taxation

	Amount provided		Potential asset/(liability)	
	1995	Movement	1994	1995
	£m	£m	£m	£m
Deferred taxation provided in the accounts, and the potential asset/liability including the amounts for which provision has been made, are as follows:				
Excess of capital allowances over depreciation	-	-	-	(1.8)
Other timing differences	-	-	-	11.1
Asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.3</u>

Wimpey Construction Limited
Notes on the Accounts

17 Other provisions

	1995 <u>£m</u>
1 January	4.3
Movements	
Provided	7.5
Utilised	(7.1)
	<u>4.7</u>
31 December	<u>4.7</u>
 Comprising:	
– remedial work	3.5
– plant overhaul	0.7
– other	0.5
	<u>4.7</u>

18 Share capital

	1995 <u>£m</u>	1994 <u>£m</u>
Authorised, allotted, called-up and fully paid 256,000,000 ordinary shares of 25p each	<u>64.0</u>	<u>64.0</u>

19 Reserves

	Property revaluation	Profit and loss
1 January	11.8	28.1
Movements		
Profit for the year	–	(15.7)
Revaluations:		
– reversed on realisation	(5.4)	5.4
Transfer from revaluation reserve to profit and loss account	(0.1)	0.1
	<u>6.3</u>	<u>17.9</u>
31 December	<u>6.3</u>	<u>17.9</u>

The property revaluation reserve comprises surpluses on the revaluation of properties classified as tangible assets. The sale of properties at their revalued amounts would not give rise to a potential liability to tax (1994 : Nil).

Wimpey Construction Limited
Notes on the Accounts

20 Contingent liabilities

The company has an arrangement with Lloyds Bank Plc and National Westminster Bank Plc whereby they have agreed to guarantee all overdrawn balances within the Wimpey Group's pooling arrangements to the extent of funds on hand.

The company enters into performance guarantees relating to construction and other agreements in the normal course of business. No liabilities have arisen under these arrangements which have not been provided in these financial statements.

	1995 <u>£m</u>	1994 <u>£m</u>
21 Commitments		
Capital expenditure		
Contracted but not provided for in these accounts	Nil	Nil
Authorised by the directors but not contracted for	<u>Nil</u>	<u>Nil</u>
 Operating leases		
Annual commitments under operating leases for plant & equipment expiring:		
– within one year	–	–
– within two to five years	<u>2.3</u>	<u>1.9</u>
	<u>2.3</u>	<u>1.9</u>

Wimpey Construction Limited
Notes on the Accounts

22 Subsidiary companies and investments
At 31 December 1995

<u>Principal subsidiary companies</u>	<u>Activities</u>	<u>Principal associated companies</u>	<u>Activities</u>
George Wimpey International Ltd	Contracting	Wimpey Wessex Water Ltd (Issued Capital £100,000) (50%)	Contracting
Wimpey Major Projects Ltd	Contracting	Kuwaiti British Group Ltd (Issued Capital £1,500) (33%)	Contracting
Wimpey Portugal Ltd	Contracting	Kuwaiti Anglo Defence Company Ltd (Issued Capital £2) (50%)	Contracting
Wimpey Overseas Ltd	Contracting		
Wimpey Engineering Ltd	Contracting		
Wimpey Homes Holdings Ltd	Homes		
Wimpey Construction Developments Ltd	Property Development		

NOTES

- (i) In all cases the company's interest is in the equity share capital.
- (ii) The issued capital of associated undertakings comprises ordinary equity shares. Debt securities are not in issue.
- (iii) All subsidiary undertakings are wholly owned. The company's interest in associated undertakings is stated against each company.
- (iv) All undertakings are incorporated in Great Britain and registered in England and Wales.